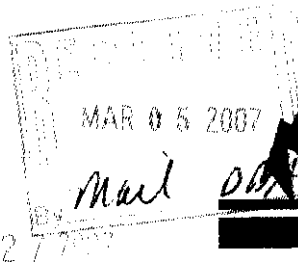


February 20, 2007



WC 07-43
43

Via Overnight Delivery
Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau
c/o Mellon Bank
CPD - 214 Appls.
P.O. Box 358145
Pittsburgh, PA 15251-5150

Re: Joint Domestic Application for Streamlined Consent to Transfer Control - Transfer of
United Communications, Inc. to Eschelon Telecom, Inc.

Dear Ms. Dortch:

On behalf of United Communications, Inc. and Eschelon Telecom, Inc., enclosed herewith are an original and six (6) copies of the Joint Domestic Application ~~for~~ Consent to Transfer Control of United Communications, Inc. (UNICOM) to Eschelon Telecom, Inc.

Also enclosed is our check in the amount of \$965.00, in satisfaction of the filing fee requirement for this Application under line 2.b. of Section 1.1105 of the Commission's Rules.

Please date stamp and return the additional copy of this filing in the enclosed self-addressed, stamped envelope.

Should there be any questions **regarding** this filing, kindly contact the undersigned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Dennis D. Ahlers".

Dennis D. Ahlers
Assistant Secretary
Eschelon Telecom, Inc.
612.436.6249 (direct)
612.436.6349 (fax)
ddahlers@eschelon.com

Enclosures

cc: Jodie May, Wireline Competition Bureau
Jason Wandersee, United Communications, Inc

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

UNITED COMMUNICATIONS, INC.

Transferor, and

ESCHELON TELECOM, INC.

Transferee,

Joint Application for Consent to a Transfer
Pursuant to Section 214 of the Communications
Act of 1934, as Amended

WC Docket No. 07-_____

JOINT APPLICATION
FOR STREAMLINED CONSENT TO TRANSFER CONTROL OF DOMESTIC
AUTHORIZATION

Pursuant to Section 214 of the Communications Act of 1934, **as** amended (the "Act"),¹ and Sections 63.03 and 63.04 of the Commission's rules,² this Application seeks the consent of the Federal Communications Commission to the proposed transfer of ultimate control of United Communications, Inc. d/b/a UNICOM ("UNICOM") to Eschelon Telecom, Inc. ("ETI").³ ETI is a non-dominant carrier **authorized** by the Commission to provide international⁴ and domestic telecommunications services. UNICOM is a domestic telecommunications carrier providing service in the states of Oregon and Washington.

Applicants seek streamlined processing of this Joint Domestic Application **pursuant** to Sections 63.03 of the Commission's Rules.⁵ This Application is eligible for

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.03 and 63.04(a).

³ ETI and UNICOM are referred to collectively **as** the "Applicants."

⁴ ETI provides international telecommunications services pursuant to International Section 214 authorization granted by the Commission in File No. ITC-214-19990729-00490 on August 27, 1999.

⁵ 47 C.F.R. §§ 63.03

streamlined processing pursuant to 47 C.F.R. § 63.03(b)(2)(i), because (a) after the proposed transaction, ETI and its affiliates, combined; 1) will have less than 10 percent market share in the interstate, interexchange marketplace, 2) will provide competitive services exclusively in areas served by dominant local carriers that are not parties to the transaction, and (3) the Applicants are not currently dominant with respect to any domestic service, and will not become dominant with respect to any domestic service after consummation of the proposed transaction.

Applicants request timely consideration of this Application, so that Applicants' business plans can be implemented, which business plans include consummation of the proposed transfer on or about May 1, 2007.

In support of this Application, Applicants submit the following information:

I. APPLICANTS

(a) United Communications, Inc. (FRN # 0003740511)

United Communications, Inc. (UNICOM) is a privately owned corporation organized under the laws of the state of Oregon. UNICOM is located at 389 SW Scalehouse Ct., Suite # 100, Bend, OR 97702. UNICOM is authorized to provide domestic telecommunications services in the states of Oregon and Washington, where it provides resold and facilities-based local, resold and facilities-based long distance, and data services to small and medium-sized businesses and some residential customers. Altogether, UNICOM provides voice, data, Internet services and business telephone systems to over 3,200 business customers and has over 28,000 access lines⁶ in service.

UNICOM is considered a non-dominant carrier under the Commission's Rules. UNICOM has no affiliates that offer telecommunications services. The company has no affiliation, within the meaning of Section 63.09(e) of the Commission's Rules, 47 C.F.R. § 63.09(e), with a dominant U.S. or foreign facilities-based carrier.

(b) ESCHELON TELECOM, INC. (FRN#0010289114)

Eschelon Telecom, Inc. ("ETI") is a corporation organized under the laws of the state of Delaware. ETI's principal place of business is located at 730 2nd Avenue South, Suite 900, Minneapolis, Minnesota 55402. Eschelon Operating Company ("OPCO") is a Minnesota corporation that functions as a holding company, which in turn is a direct, wholly owned subsidiary of ETI, the ultimate parent corporation. ETI itself is authorized to provide telecommunications services in California, Idaho, New Mexico and New York; however, ETI presently provides no service in New Mexico and only provides service, specifically long distance resale service, to 1 business customer in New York and fewer than 10 business customers in Idaho. OPCO has several direct, wholly owned subsidiaries that offer telecommunications services in various states.⁷ In these states, the

⁶ Applicants define "access lines" as 64 kbps channels.

⁷ Advanced TelCom, Inc. provides telecommunications services in the states of California, Nevada, Oregon and Washington. Oregon Telecom, Inc. provides telecommunications services in Oregon and

subsidiaries provide resold and facilities-based local, resold long distance, Internet and data services to small and medium sized-businesses. ETI and its subsidiaries, collectively "Eschelon," are headquartered at the above address, provide voice, data, Internet services and business telephone systems to over 60,000 customers, and have **over** 500,000 access lines in service. ETI owns switches in all states where it offers local services. ETI and its subsidiaries provide local and/or long distance facilities-based service in 19 markets in 11 states. There are no other affiliates of ETI that offer domestic telecommunications services. **As** permitted by Section 63.21 of the Commission's Rules, 47 C.F.R. § 63.21, ETI's subsidiaries currently provide resold international switched telecommunications services pursuant to the parent company, ETI's, international Section 214 authorization.⁸ ETI **has** no affiliation, within the meaning of Section 63.09(e) of the Commission's Rules, 47 C.F.R. § 63.09(e), with a dominant U.S. or foreign facilities-based carrier.

Under the proposed transaction, OPCO will purchase all of the stock of UNICOM. UNICOM will continue operating as a wholly owned subsidiary of OPCO, which is a wholly owned subsidiary of ETI.

II. INFORMATION REQUIRED BY SECTION 63.04(a) OF THE COMMISSION'S RULES

As required by Section 63.04(a) of the Commission's Rules, Applicant submits the following information:

(1) Names, addresses and telephone numbers of Applicants:

Transferee

Eschelon Telecom, Inc.,
7302nd Avenue South, Suite 900
Minneapolis, MN 55402
Telephone: (612) 376-4400

Transferor

United Communications, Inc.
389 Scalehouse Ct., Suite 100
Bend, OR 97702
Telephone: (541) 388-8711

Washington. Mountain Telecommunications, Inc. provides telecommunications services in Arizona. OneEighty Communications, Inc. provides telecommunications services in Montana. Eschelon Telecom of Minnesota, Inc., Eschelon Telecom of Washington, Inc., Eschelon Telecom of Colorado, Inc., Eschelon Telecom of Nevada, Inc., Eschelon Telecom of Arizona, Inc., Eschelon Telecom of Utah, Inc. and Eschelon Telecom of Oregon, Inc. each provide telecommunications services in the state that corresponds with its name.

⁸ See Footnote 4, supra

- (2) **The Government, State, or Territory under the laws of which each of the Applicants is organized:**

| <u>Applicant</u> | <u>State of Organization</u> |
|-----------------------------|-------------------------------------|
| Eschelon Telecom, Inc. | Delaware |
| United Communications, Inc. | Oregon |

- (3) **Correspondence concerning this Application should be addressed to:**

Dennis D. Ahlers
Eschelon Telecorn, Inc.
730 2nd Avenue South, Suite 900
Minneapolis, MN 55402
Telephone: (612) 436-6249
Facsimile: (612) 436-7349
E-mail: ddahlers@eschelon.com

Jason Wandersee
Chief Financial **Officer**
United Communications, Inc.
3S9 SW Scalehouse Ct., Suite 100
Bend, OR 97702
Telephone: (541) 388-8711
Facsimile: **(541)** 322-1412
E-mail: jwandersee@uci.net

With a copy to:

J. Jeffery Oxley
Executive Vice President – Law and Policy
Eschelon Telecom, Inc.
730 2nd Avenue South, Suite 900
Minneapolis, MN 55402
Telephone: (612) 436-6692
Facsimile: (612) 436-6792
E-mail: jjoxle@eschelon.com

- (4) **The following persons or entities hold a 10% or greater direct ownership interest in ETI:**

Upon consummation of the Transaction, UNICOM will become a wholly owned subsidiary of OPCO, which in turn is the wholly owned subsidiary of ETI. Thus, ETI will be the new ultimate parent corporation and indirectly own 100% of

the equity interest in UNICOM. ETI is a Delaware corporation with its principal offices located at 720 2nd Avenue South, Suite 900, Minneapolis, Minnesota 55402. OPCO is a Minnesota Corporation, also located at 720 2nd Avenue South, Suite 900, Minneapolis, Minnesota 55402 and functions as a holding company. ETI and its subsidiaries currently provide local and/or long distance telecommunications services in the states of Arizona, California, Colorado, Idaho, Minnesota, Montana, Nevada, New York, Oregon, Utah and Washington.

The following entity owns a ten percent or greater direct or indirect interest in OPCO:

Name: Eschelon Telecom, Inc. ("ETI")
Address: 730 2nd Avenue South, Suite 900
Minneapolis, Minnesota 55402
Citizenship: US - Delaware Corporation
Principal business: Provider of local and long distance telecommunications services
Percent of ownership: 100%

None of ETI's officers or directors sits on the boards of any foreign telecommunications carriers.

The following entities own a ten percent or greater direct or indirect interest in ETI:

(1) Name: Wind Point Partners IV, L.P. ("**Wind Point Partners**")
Address: One Towne Square, Suite 780
Southfield, MI 48076
Citizenship: US - Delaware LP
Principal business: Investments
Percent ~~of~~ ownership: 16.7 %

Wind Point Partners IV, L.P., does not have an ownership interest in any telecommunications company other than ETI. The Wind Point Partners investment in ETI ~~is~~ through three separate funds and multiple limited partners, none of whom hold a ten percent or greater ownership interest in ETI under the Commission's ownership attribution rules. The general **partner** of Wind Point Partners is:

Name: Wind Point Investors IV, L.P. ("Wind Point Investors")
Address: One Towne Square, Suite 780
Southfield, MI 48076
Citizenship: US - Delaware LP
Principal business: Investments

No limited partner of Wind Point Investors holds a ten percent or greater ownership interest in ETI under the Commission's ownership attribution rules. The general partner of Wind Point Investors is:

Name: Wind Point Advisors, LLC ("Wind Point Advisors")
Address: One Towne Square, Suite 780
Southfield, MI 48076
Citizenship: US – Delaware LLC
Principal business: Investments

There is no managing member of Wind Point Advisors and no member of Wind Point Advisors has a ten percent or greater ownership interest in ETI under the Commission's ownership attribution rules.

- (2) Name: Bain Capital Fund VI, L.P. ("Bain Capital")
Address: 111 Huntington Avenue
Boston, MA 02199
Citizenship: US – Delaware LP
Principal business: Investments
Percent of ownership: 20.8 %

Bain Capital Fund VI, L.P. has a 5.2% ownership interest in one other telecommunications company—US LEC Corp. Other Bain entities, who do not have an ownership interest in ETI, own an additional 7.1% in US LEC Corp. US LEC Corp. does not provide service in any of the markets served by ETI. The general partner of Bain Capital is:

Name: Bain Capital Partners VI, L.P. ("Bain Partners")
Address: 111 Huntington Avenue
Boston, MA 02199
Citizenship: US – Delaware LP
Principal business: Investments

No limited partner of Bain Partners holds a ten percent or greater ownership interest in ETI under the Commission's ownership attribution rules. The Bain Partners investment in Eschelon is made through ten separate funds with multiple limited partners, none of whom own a ten percent or greater ownership interest in ETI. The general partner of Bain Partners is:

Name: Bain Capital Investors, LLC ("Bain Investors")
Address: 111 Huntington Avenue
Boston, MA 02199
Citizenship: US – Delaware LLC
Principal business: Investments

Bain Investors has no economic interest in Bain Partners. There is no managing member of Bain Investors and no member of Bain Investors has a ten percent or greater ownership interest in ETI under the Commission's ownership attribution rules.

No other entity will hold a 10% or greater direct or indirect interest in ETI

Following consummation of the proposed Transaction, there will be no interlocking directorates with any foreign carrier.

(5) Certifications by Parties that no party to this Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a):

As evidenced by the signatures to this Application, Applicants certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301), that they are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(6) Description of the Transaction:

On February 19, 2007, ETI and UNICOM signed a Stock Purchase Agreement ("Agreement") providing for the purchase of all of the stock of UNICOM, an Oregon corporation by Eschelon Operating Company, inc., ("OPCO"), which is a Minnesota Corporation and a direct wholly owned subsidiary of ETI. (the "Transaction"). As a result of the Transaction, UNICOM shall continue in operation as a wholly owned subsidiary of OPCO. Thus, following the completion of the Transaction, UNICOM will be wholly owned by OPCO, which will continue to be wholly owned by ETI.

Closing of the Transaction is contingent upon, among other things, receipt of necessary regulatory approvals from the Commission and other Governmental entities.

(7) A description of the geographic areas in which the transferor and transferees offer domestic telecommunications services, and what services are provided in each area:

ETI and its subsidiaries provide local and/or long-distance voice, data, internet services and business telephone systems in Arizona, California, Colorado, Idaho, Minnesota, Montana, Nevada, New York, Oregon, Utah and Washington. UNICOM provides resold and facilities-based local, resold long distance, and data services to small and medium-sized businesses and residential customers in Oregon and Washington.

- (8) A statement as to how the Application fits into one or more of the presumptive streamlined categories in Section 63.03 or why it is otherwise appropriate for streamlined treatment:

ETI, as transferee, will have less than a 10 percent market share in the interstate, interexchange market as a result of the transaction and will provide services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to this transaction. Further, neither ETI nor UNICOM is dominant with respect to any service. Therefore, this Application is appropriate for streamlined treatment pursuant to 47 C.F.R. § 63.03(b) (2).

- (9) Identification of all other Commission applications related to the same transaction:

There are no related applications.

- (10) A statement of whether the Applicants are requesting special consideration because either party to the transaction is facing imminent business failure:

Applicants do not seek special consideration in this Application.

- (11) Identification of any separately filed waiver requests being sought in conjunction with the transaction:

Applicants do not seek any waivers in conjunction with the transactions discussed in this Application.

- (12) A statement showing how grant of the Application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:

The Applicants respectfully submit that the Transaction serves the public interest. Immediately after consummation of the Transaction, UNICOM will continue to operate under its operating authorities as at present. The Transaction itself involves no change in the entity providing service to customers or the end user services, rates, terms and conditions of such services. Any future changes in the rates, terms and conditions of service will be made consistent with applicable law. The transfer of control will be entirely transparent to customers and will not have any adverse impact on them. The only change will be in the ultimate ownership of UNICOM.

The Applicants expect that the Transaction will increase competition in the telecommunications market by strengthening ETI's position as an effective and multifaceted telecommunications carrier. The Transaction will allow ETI to combine its financial, technical and market resources and expertise with that of UNICOM, thereby enhancing its ability to provide reliable, competitively priced

services to customers in Oregon and Washington. The Transaction will facilitate the entrance of Eschelon into the markets presently served by UNICOM. Accordingly, the transfer of control of UNICOM to ETI will increase, not degrade, the competitiveness of the markets served by the Applicants.

Consummation of the proposed Transaction will allow ETI to make its technical, product development, and service resources available to help support and service UNICOM customers. ETI is committed to exceeding customer expectations and understands that service and support are just as important as having the latest technology at competitive prices. That is why ETI supports its products and services with dedicated and skilled account teams. UNICOM customers can expect the same dedicated attention upon consummation of the proposed Transaction.

The transfer of control of UNICOM to ETI does not result in any anticompetitive effects. The combined interstate, interexchange market share post-closing will not exceed 10 percent in any market. In all instances where UNICOM and ETI provide local exchange services, the incumbent local exchange carrier has a virtual monopoly and this Transaction will not diminish the ILEC's dominant market position. Furthermore, in all instances where UNICOM and ETI provide telecommunications services other competitive carriers are participants in these markets. For each of the foregoing reasons, grant of the proposed transaction is in the public interest.

III. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application to

transfer control. of United Communications, Inc. and its domestic Section 214 authorization to Eschelon Telecom. Inc.

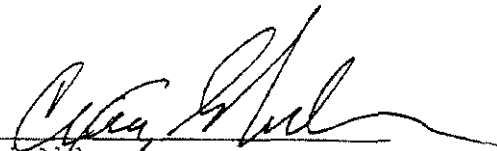
Respectfully submitted,

By:



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By:



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